

**South Los Angeles Industrial Tract BID
Interim Board of Directors Meeting
March 5, 2007 at Noon
American Central Plaza 1026 East 59th Street**

In attendance: Duke Dulgarian, Steve Stone, Greg Goodman, Stanley Kramer, Barry Croxen, Sofia Meyen, Oscar Ixco, Rebecca Sherrill, A. Sharma, Oscar Avina, Susan Levi, Tracy Krauss

- I. Meeting called to order 12:14 pm
- II. **Introductions** – None
- III. **Approval of Minutes – Motion to approve minutes as written by Croxen/Goodman unanimous.**
- IV. **Public Comments** – None.
- V. **Corporation and Insurance Update** – Levi stated she has received the endorsed Articles of Incorporation and submitted the tax-exempt application to the IRS. Levi received a postcard from the Franchise Tax Board, which should be sufficient to enter into a contract with the City Clerk's office. The certificate has been submitted and the paperwork needs to be signed off for a contract and the board must also still get insurance. The corporation status and contract should be finalized within the next 2 weeks with funding to begin on April 1, 2007. Levi stated there were 2 quotes for the D&O insurance but one came in approximately half the cost of the other. The same companies quoted the General Liability and the D&O and both are non-admitted companies with A+ ratings. Levi informed the board no matter which company they chose there would be an additional \$300 cost to name the city as additional insured. Levi stated it makes sense to use the lowest bidder and keep both insurances with the same company. Dulgarian asked if both companies quoted the same coverage. Levi stated they did. Croxen asked why the insurance is not on the budget. Levi stated the CRA initially agreed to pay for the first year of insurance but other costs arose so Levi will be laying out the money to cover insurance, business cards and other items with the CRA paying the BID and the BID then reimbursing Levi. Levi informed the board that the budget presented is for the first year only and is for 10 months and the BID is not paying for insurance for the first year. Stone requested the board review Item VI on the agenda prior to voting. Dulgarian agreed. **Motion to approve lowest bid for insurance by Croxen/Stone; carried.**
- VI. **Bank Accounts** – Levi informed the board that they would need to open 2 bank accounts, a money market account and a checking account. Levi stated part of her proposal is to do the bookkeeping and it would be done using QuickBooks. Levi stated she uses Bank of America for another BID and there are no fees with a certain balance and allows for Internet and phone transfers. Levi stated neither she nor any of her employees are check signers so there would be no issues with

that. Levi stated the bank accounts need to be opened as soon as possible because the purchase order from the CRA should come through within the next week. Stone asked if they would be using a Bank of America in the area. Levi stated they would. **Motion to open accounts at Bank of America in the BID area and have staff keep the books by Stone/Goodman. Carried.**

- VII. **2007 Operating Budget** – Levi presented a draft budget for 2007. Levi informed the board that the budget is for only 10 months with services beginning as of March 1, 2007. Levi stated the budget includes known expenses with \$154,000 in contingency and the board determines how the money gets spent. Levi stated the board may want to add on more security and could tap into the contingency funds for that. There is no charge for the first year of camera maintenance or insurance. Goodman asked about the following year. Levi stated the camera maintenance is currently estimated at \$50,000 for the year but she intends to renegotiate directly with Pro911 for a better contract. There will also be a full year period for the expenses in 2008 and includes enough money in the budget to do everything. Kramer asked about the city/county recovery costs and contingency/startup. Levi stated she is calling it contingency because she is unsure where the money would be spent and other expenses will arise. Kramer stated \$154,000 is a substantial amount. Levi stated 2007 is a short year and there are leftover funds and the same amount won't be leftover next year when the BID is on a 12 month budget. Levi stated the county charges 2% of the budget to collect the fees. Kramer asked if the balance sheets would show incoming and outgoing expenses. Levi stated there is no income as of yet but once the budget is set up a P&L Budget Comparison would be provided to the board each month and all details could be set up then. Croxen asked about delinquency. Levi stated some people don't pay and the initial report shows \$78,000 uncollected. Croxen asked if the DWP maintenance contract is included in the startup. Levi stated the outdoor lighting maintenance line item is the DWP contract. Once the cameras are up the BID may need more lights but that won't be known until the cameras are operational. The budget does not include the 30 cameras to be mounted on streetlight poles and DWP would charge a flat rate but the figure as of yet is unknown so is being included in contingency. **Motion to approve budget by Croxen/Meyen; Carried with Kramer opposed.**
- VIII. **Affirmative Action Plan** – Levi stated the BID must adopt and sign the Affirmative Action Plan to enter into a contract with the City of LA and it is standard for all BIDs. **Motion to approve Plan by Croxen/Goodman; Carried with Kramer opposed.**
- IX. **Susan Levi & Associates, Inc. Management Contract** – Levi stated that at the previous board meeting her proposal was approved by the board. Levi presented the board with her contract, which is standard for all the BIDs she manages. Both parties have a 30-day out without cause. **Motion to approve contract by Croxen/Meyen; Carried with Kramer abstaining.**
- X. **Susan Levi as Signatory for City Documents** – Levi stated there would be a number of city documents that would need to be signed. These documents would

in no way obligate or bind the board or the BID to anything. Levi used the example of the assessment invoices to the city for the assessment revenue. The invoices must be signed and the funds would be provided quicker if Levi could sign the invoices as opposed to waiting for each board meeting. Kramer asked why the president wouldn't be the signatory. Levi stated an officer must sign all city documents but with regards to the invoices the city would send an invoice to the president, which he then must generate an invoice to the city, send copies to both the City Clerk's office and to Levi. Levi stated she would not sign any documents that are required to be signed by an officer or that are binding in any way. Kramer asked if SLA has a bond posted for the contract with the BID and would question where there are money transactions where Levi is signing on behalf of the BID. Levi stated she would only have to sign to pick up a check for deposit into the bank and she is not a check signer. Only officers would be check signers. Levi stated she reduces her own liability as much as possible. Kramer stated it would be possible for Levi to change something on a check and put it into her own account. Levi stated she understands Kramer's concern. Goodman asked if the board could get a copy of all documents signed by Levi. Levi stated she could send invoices as they are submitted but that is the only thing she would ever really sign for. Kramer stated he is not questioning Levi's honesty or integrity but feels it's an important question. **Motion to allow Levi to sign city invoices by Goodman/Croxen; Carried.**

- XI. **LADWP Contract** – Called out of order. Levi stated the DWP contract calls for 34 additional lights to be installed with maintenance being approximately \$20 per unit per month, which is how she arrived at the \$6800 figure for 10 months. Rebecca Sherrill from the DWP outdoor lighting program introduced herself. Sherrill stated DWP surveyed the area for additional lighting and there is a cost for the installation and upkeep. Sherrill informed the board that if they don't want the lights they could be removed at any time. Sherrill suggested a walkthrough to see which areas need additional lighting. Levi stated there would also be an additional charge for the cameras being installed on the light poles and they belong to BSL. Kramer asked if the money would be paid to DWP for maintenance. Sherrill stated it would. **Motion to approve contract by Stone/Meyen.** Kramer stated he believes the City of LA owes the additional lighting to the area and \$6800 isn't much for the city to pay for the lighting. Sherrill stated the City of LA is obligated to put a light on every other pole and when she went out there she noted there is a light on every other pole that the BID is not paying for and these lights are in addition and must be paid for by the BID. Kramer stated that if an area requires additional lighting the city should provide the necessary lighting and it is a small price for the city to pay. **Carried with Kramer opposed.**

XII. **Security** –

- a. **UPS Update** - Levi informed the board that Rod Kratochvil from UPS brought Oscar Avina from another BID to be an interim post commander and mentioned to Levi that he felt Avina would be perfect for this BID. Levi stated she had interviewed 5 other candidates and none were qualified. Levi did an interview with Avina after the previous Board meeting and was very

happy with his qualifications. While Avina has been serving as post commander he has been out on the street and going to many businesses to help clean up the area. As he goes around he has been meeting people and asking them to donate their dumpsters for debris and bulky items. Levi feels Avina has gone above and beyond his job description and there is a noticeable difference in the area. The people in the area have noted that they did not see the previous security company with any regularity but see the new company several times a day, every day. Kramer asked if there are any guards from 10pm and throughout the early morning hours. Levi stated the graveyard shift is in effect. The BID contract with security began on March 1 and deployment called for the graveyard shift to have 1 armed officer with 1 ex military or law enforcement. Levi informed the board that UPS uses a subcontractor for their armed officers and UPS is willing to wait to get paid but the subcontractor is not and armed would not begin until April 1, 2007. Levi stated that instead a higher-level guard is being used and is saving a lot of money. Levi stated getting more officers out during the day has been very good for the area. Levi suggested taking the savings from the armed guard and putting 2 more officers on the day shift. Kramer asked about business cards for the officers. Levi stated she is working on that and Avina has been giving out his own cell phone number. Avina gave his cell phone number to all of the board members. Kramer asked when Avina is available. Avina stated he is on call 24/7. Levi stated she is setting up a meeting with Senior Lead Officer Reedy as well as the other SLO for the area. Stone asked if the BID could afford 2 more officers. Levi stated they could afford 3 more with the money saved from the armed officer. Croxen asked if there are 2 guys at night. Levi stated there is. Croxen asked if there is a good response from LAPD does security need an armed officer. Levi stated that would be discussed at the meeting and the BID could save a lot of money by not using armed. Croxen stated he is in favor of more officers. Levi stated she spoke with UPS and they feel armed is unnecessary but this is a good test to see if the BID needs an armed officer. Croxen stated his position is contingent on the feelings of the officers. Levi stated that more officers are always better in the beginning.

- b. **Security Cameras** – Ixco stated the cameras are beginning to be deployed but the program is moving slower than initially thought. There have been issues regarding electrical connections and part of the job of the contractor is to remove old equipment and make sure the new equipment works. The previous installation was inappropriate for wattage and there is not enough electricity for the new system. The issue is being worked out with DWP and will hopefully be resolved this week so all of the cameras could be operational. Another issue is the lights on the exterior streets belong to BSL and there is a description of criteria that the CRA has reviewed with BSL to get final approval on camera installation and that should be done this week. Ixco stated the cameras on the exterior streets would probably be operational before the interior streets. Kramer asked when all cameras would be operational. Ixco stated hopefully within the next 2-3 weeks. Ixco stated the guard booth has been completely gutted and there was nothing salvageable in there. Some of the old cameras were removed and 15 new ones installed but

are not plugged in yet. Ixco stated the issue with those is the wattage. DWP is not donating the electricity and the amount of power usage needs to be monitored and a flat rate is being negotiated. Ixco stated the program is moving forward and hopefully a lot more work will be in place by the next meeting. Stone asked about the old equipment. Ixco stated it is currently stored with the contractor. Kramer asked how many cameras are going in. Ixco stated 62 cameras. Kramer asked the hours of operation for the cameras. Ixco stated 24/7. Kramer asked who is paying for the installation of the cameras. The CRA is paying for them. Kramer asked if the BID is paying for any of the installation. The BID is not. Part of the CRA contract includes removal and installation of the new cameras, improve the guard booth on 60th street, repair all gate arms and install signage. Croxen asked about additional expenses. Ixco stated that there might be additional expenses because of the electrical issue. Croxen asked if this is a major or minor expense. Ixco stated he doesn't know but the costs are not being passed on to the BID. Ixco stated the fees associated with moving the equipment would be the BID's. Kramer stated if the cameras need to be moved or removed it should be the responsibility of the CRA and not the BID during the test period and thereafter as well. Levi stated anything being put out on the street requires an R permit but the city rarely directs BIDs to remove their property. Stone stated the contractor needs to be responsible for the equipment being removed so the BID can account for all of the hardware and software. Kramer stated the BID doesn't own the old equipment and asked if it goes back to the CRA. Stone stated any money coming from the old equipment is for the BID and the contractor needs to hold onto it and not just dispose of it. Ixco stated he could provide a report on the old equipment. **Motion to approve BSL requirements by Croxen/Mullen; Carried with Kramer opposed.**

XIII. Maintenance Services

- a. Clean-Up Days – Levi stated she received a proposal from LACC and the Coalition, who already provide services. Levi stated Avina told her what he was doing regarding clean up and that the officers are getting flat tires every day due to glass and nails throughout the tract. Levi stated she spoke with Bruce at LACC and he has offered to send out a Clean and Green crew of 50 to 100 kids to remove graffiti and sweep. In April, there will be a Mayor's Day of Service and Levi submitted an application for that as well. Levi also made a request for the month of May to the council office to work with the Coalition to do another clean up day. Levi stated by the end of May the area should be very clean and much easier to maintain. Levi stated the maintenance budget is very low so she got as many free resources as possible and \$12,000 should be enough to maintain the area. Kramer asked about toxic material pick up and if that could be arranged. Levi stated she would try to figure out for CD9 clean up and find out who does that service. Stone asked if there is a fee included for the disposals. Levi stated there is. Kramer stated the fees are the city's responsibility. Levi stated when she called the mayor's office it was a bit late in the process and she tried to get them onto the Day of Service. Levi told the mayor's office about the non-responsiveness of bulky item pick-up and it would be taken care of. **Motion to approve clean up**

days and approve LACC proposal by Stone/Meyen; Carried with Kramer Opposed.

XIV. New Business

- a. **Logo** – Levi stated Krauss came up with an idea for a logo based on the word industrial and wanted to keep it simple. Levi stated the logo is only for business cards and uniform shirts. Dulgarian asked about using colors. Levi stated black and white would be best to keep the printing costs to a minimum and that the security shirts would be blue. **Motion to approve logo by Stone/Goodman; Carried.**
- b. Stone asked that now that the BID is going to have money and costs coming in the Councilwoman needs to be contacted and part of her budget should help the BID. Stone stated the BID is real now and needs to be taken seriously. Levi stated she spoke with Hugo at the field office and they will hopefully be represented at the next meeting. Stone stated the council office should attend meetings as well as take monetary action. Levi stated the CD9 clean up will cost the council office. Meyen stated the council office said they would attend meetings. Stone stated as issues arise it would be better to have council support.
- c. Croxen stated he would like meetings to be structured so that guests are excused when discussing financial matters. Levi stated the BID is subject to the Brown Act and all meetings are open to the public and can't exclude anyone except for in an executive committee meeting, which may be for contract reviews amongst other things. Kramer stated the board could go into executive session and make the rulings public if they need to be announced but it needs to be on the agenda. Levi stated she could put executive session at the bottom of the agenda as an action item.

XV. Next Meeting Date – Levi informed the board that due to the late date of this meeting another one might not be necessary on March 26th. Levi will let the board know.

XVI. Meeting adjourned at 1:16pm.